

Welcome to the Public Buildings Reform Board

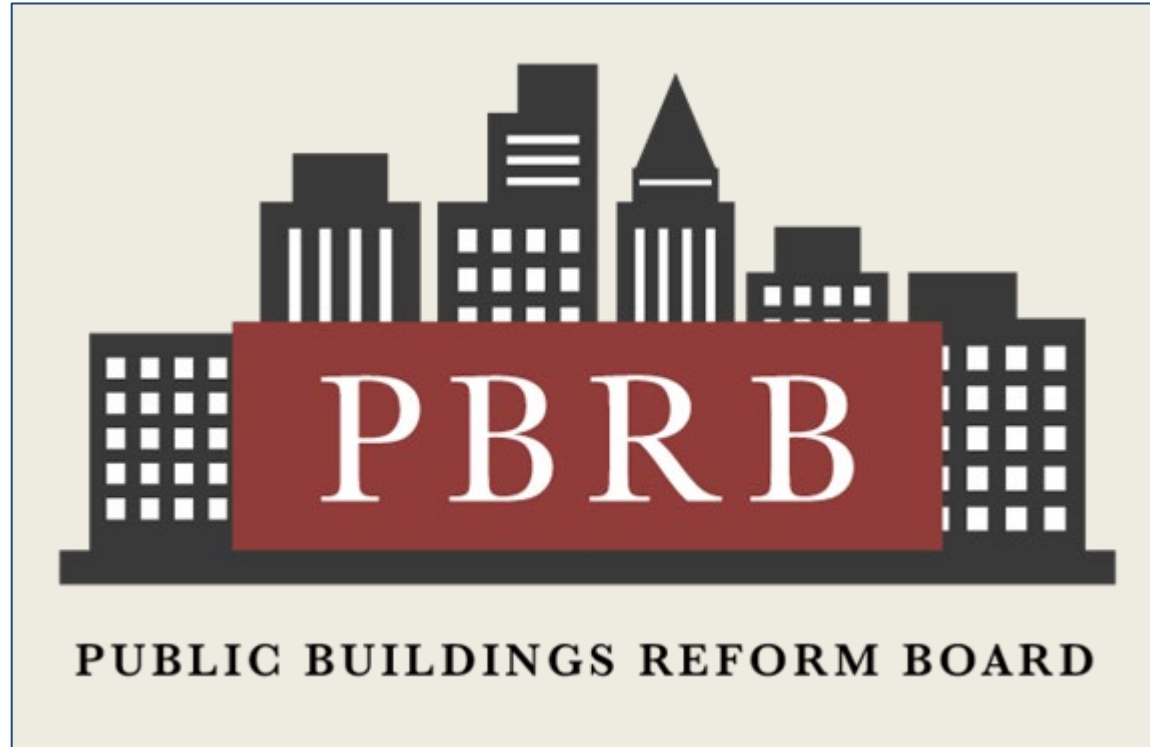
Public Hearing - Washington, DC

We will start at 11 am EST



PUBLIC BUILDINGS REFORM BOARD

Arena Stage | June 25, 2026



Public Hearing #13 - Washington, DC

Arena Stage | June 25, 2026

Program

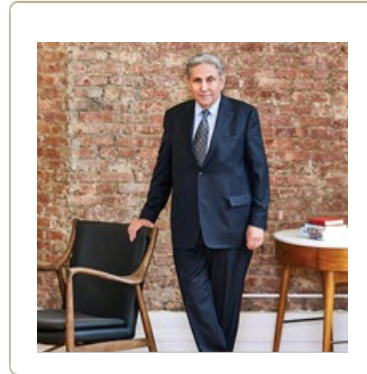


- **About the Board**
 - **Meet the Board members**
 - **Why Congress created the Board**
 - **The deferred maintenance challenge**
 - **Utilization Data Observations**
 - **PBRB's Mission**
- **Properties Under Consideration**
- **The Southwest Challenge**
- **Public Comments and Remarks**

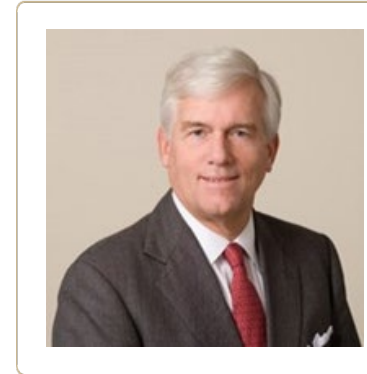
Our Board



Dan Mathews
Board Member,
Former PBS
Commissioner



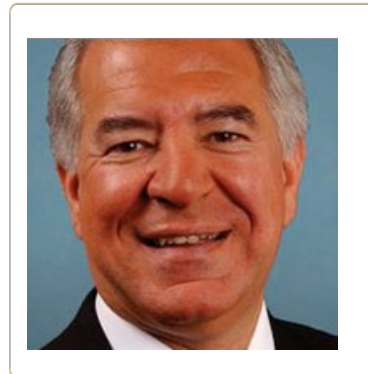
Jeffrey Gural,
Board Member,
Chairman GFP Real
Estate LLC (Former
Newmark Holdings)



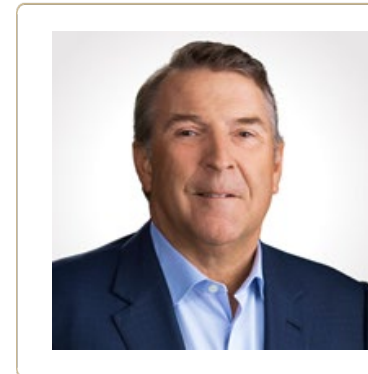
David Winstead
Board Member,
Former PBS
Commissioner



Mike Capuano
Board Member,
Former
Representative,
Boston, MA








Nick Rahall
Board Member,
Former Representative,
West Virginia



D. Talmage Hocker
Acting Chairman,
Appointed Board
Member,
CEO The Hocker
Group, LLC

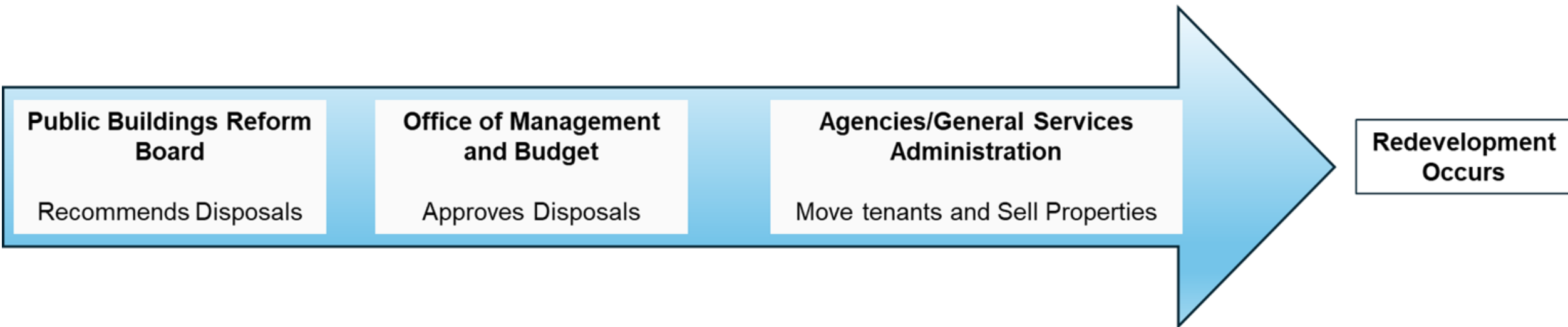
Congress authorized the Board to make recommendations



-  **Identify:** Find underutilized, vacant, and unneeded federal properties.
-  **Analyze:** Assess properties with high deferred maintenance and operating costs.
-  **Recommend:** Advise on the sale, disposal, or redevelopment of these assets.
-  **Reduce:** Lower federal real estate costs and reduce the government's footprint.
-  **Reinvest:** Return properties to local communities for economic growth and reinvestment.

The Board looks for underutilized, high value, or high capital liability assets

- The PBRB does not sell properties nor determine the relocation for any existing tenants, nor does it determine the future use of the property.
- The PBRB is not part of the DOGE, nor is it part of the General Services Administration – the landholding agency for most non-DoD federal office space.
- The two primary criteria the Board uses for identifying a federal property is the building's attendance and deferred maintenance capital liabilities. Criteria such as the valuation of a property, the return on investment from a divestiture, political and stakeholder support, economic impact and historic preservation requirements of local communities all constitute factors the Board takes into advisement during its analysis.



Round 2 Disposal Update



| Building Name | Tenant Relocation | Disposition | Transfer |
|---|-------------------|-------------|-----------|
| Wilbur J Cohen, D.C. | Under Review | | |
| Forrestal Fed Bldg, D.C. | 5/30/2029 | | |
| Brickell Plaza Bldg, Miami | 9/30/2028 | | |
| Peachtree Summit, Atlanta | 10/31/2029 | | |
| William O. Lipinski, Chicago | 6/7/2028 | | |
| CPT JF Williams Coast Guard Bldg, Boston | 3/27/2029 | | |
| Estes Kefauver Fed Bldg, Nashville | 7/15/2029 | | |
| LaBranch Fed Bldg, Houston | 2/28/2025 | | |
| Federal Office Building 7 th and D St, D.C. | 2/28/2025 | 1/21/2026 | 3/23/26 |
| 4700 River Road, Riverdale MD | 10/30/2025 | 3/13/2026 | 5/5/2026 |
| Chet Holifield Fed Bldg, Laguna Nigel CA | | 5/1/2026 | 6/30/2026 |

The Cost of Inaction

Estimated Deferred Maintenance Across the GSA Portfolio - \$50 billion



Paul Rogers U.S. Courthouse - West Palm Beach, FL- Column Deterioration

Across the nation, federal buildings face billions in deferred maintenance and repairs.

The cost per person for this poorly maintained inventory is skyrocketing.

Fewer workers are using increasingly expensive and poorly maintained properties.

These costs burden taxpayers and hinder agency missions.

The PBRB identifies properties where disposal is more fiscally responsible than continued upkeep.

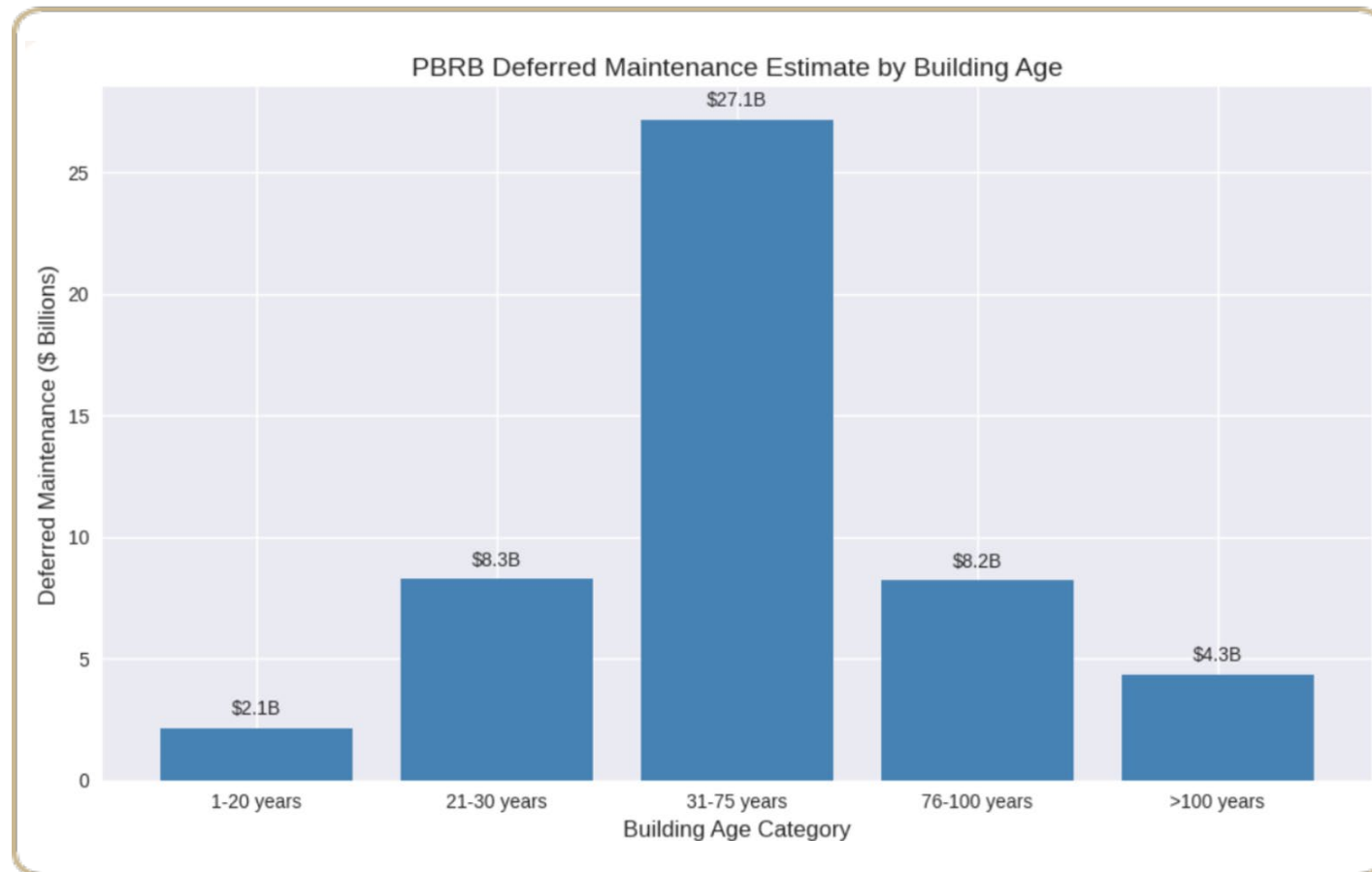
Value Erosion through Capital Neglect

The largest concentration of deferred maintenance is in buildings built from 1951 to 1995

The most common property characteristics:

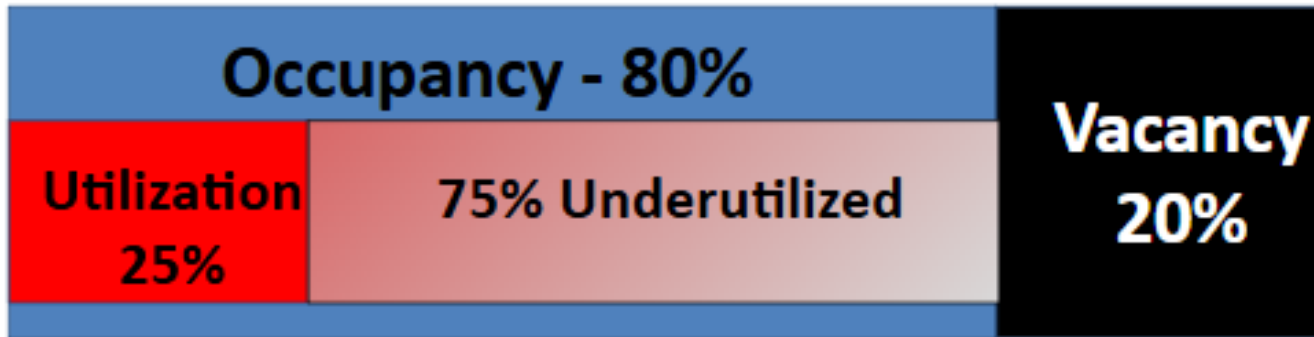
- High deferred maintenance
- Low space utilization
- No market value.

The effect: sale proceeds cannot support agency move costs while reinvestment is not supported by market dynamics



Utilization tells us what occupancy doesn't

Occupancy vs. Utilization



- “Occupancy” : % of a building under a lease
- “Vacancy”: % of a building NOT under a lease
- “Utilization”: % of a tenant “occupancy” actually used by staff (calculated at benchmark space allocation of 150 useable square feet per employee)

Joseph P. Addabbo Federal Building,
Jamaica, NY

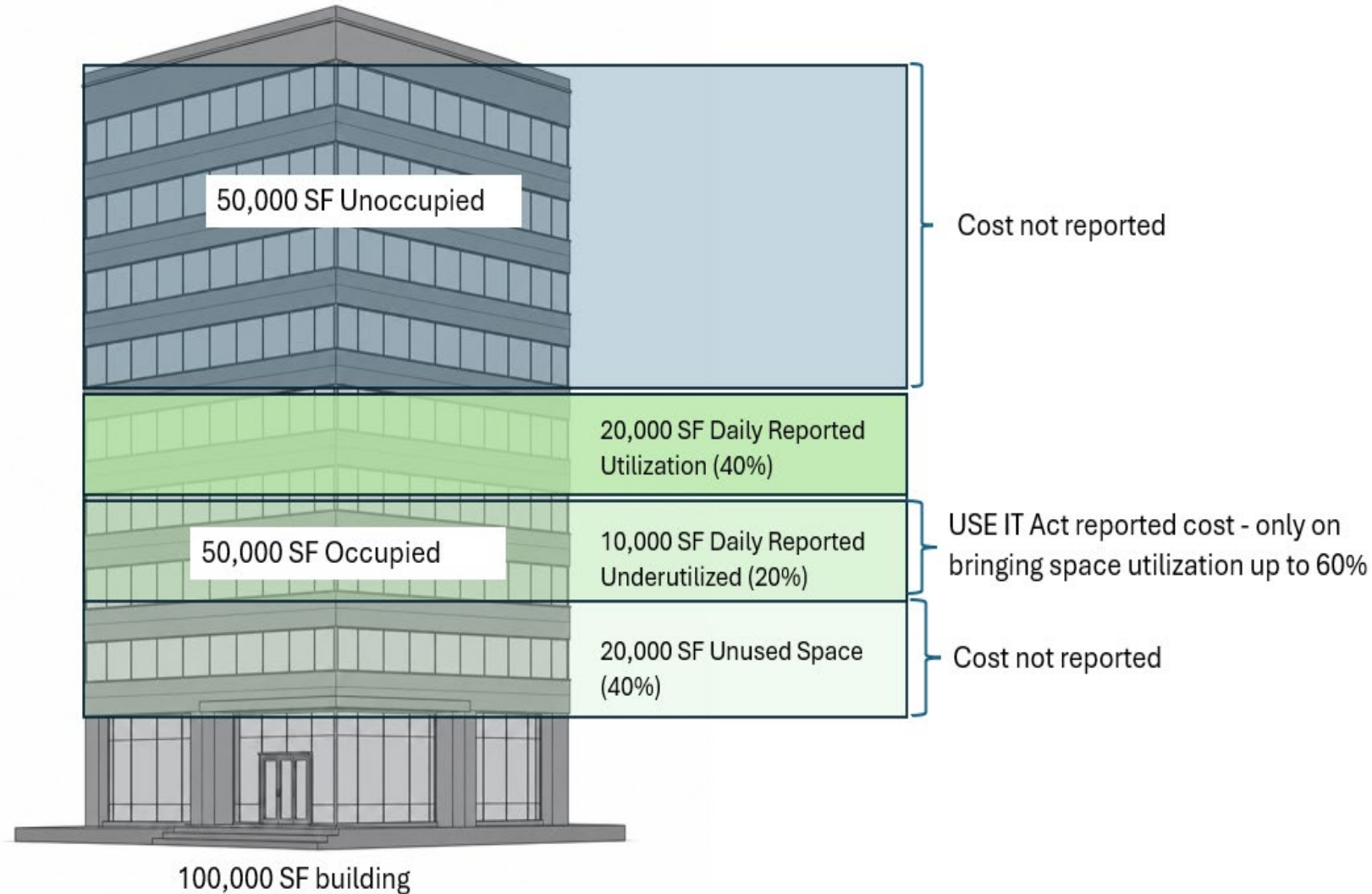


- 800,000 rentable square feet
- 100% reported “occupied” by Social Security Administration
- 13.5% reported space “utilization”

USE IT Act - Cost of Underutilization

PBRB Data Observations

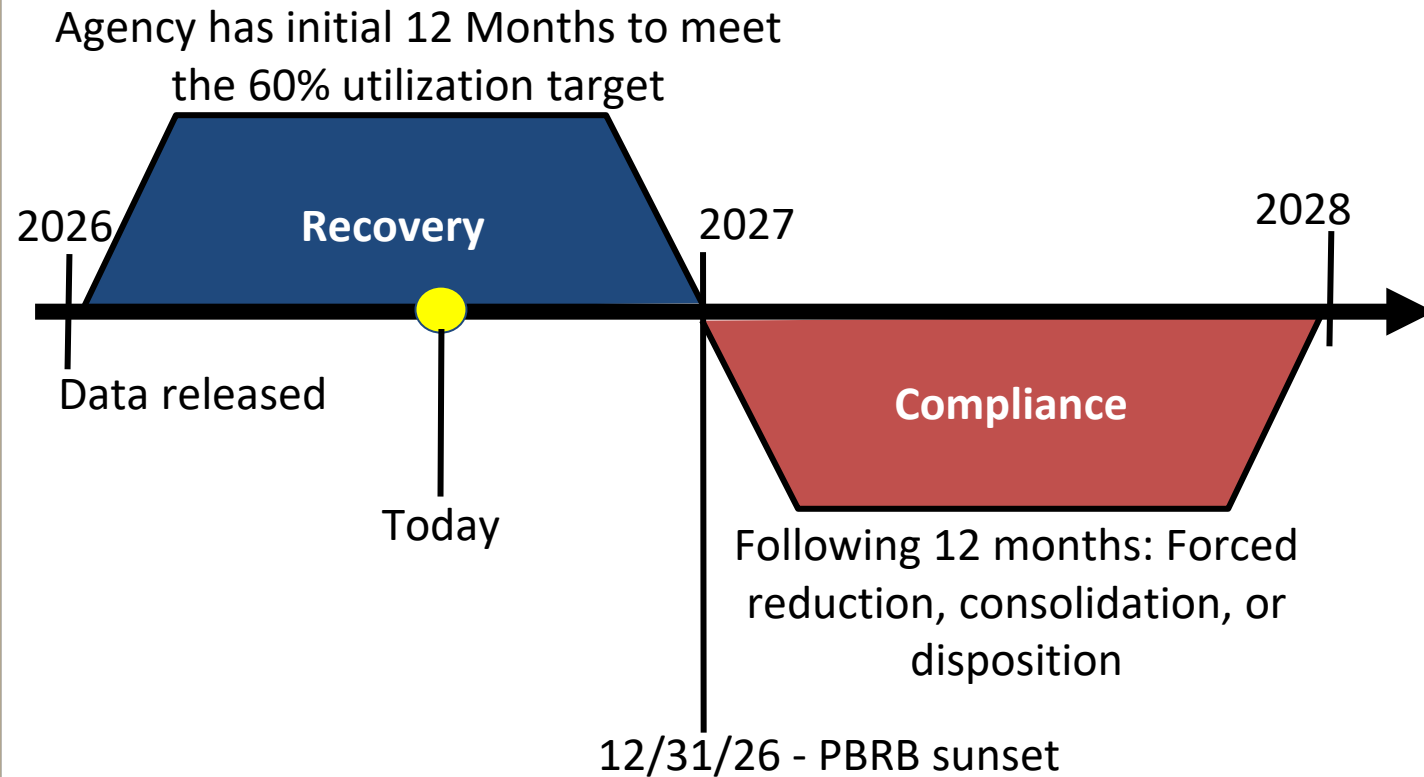
- No agency met the overall 60% utilization target
- Only 275,336 employees were reported out of a federal workforce of over 2 million
- **Cost of Underutilized Space:**
\$1.34 billion per year
(\$660K owned and \$677K leased)
- Judicial Branch and Dept of Defense did not report



USE IT Act - Compliance Timeline

- Agencies are responsible to meet the 60% utilization target
- 12 month “Recovery” period followed by a 12 month “Compliance” period
- The USE IT Act will force a wave of dispositions

USE IT Act Compliance Timeline



Properties Supported by Landholding Agencies



| Name | City, State | GSF / Acreage | DM&R | NPV Savings |
|---|------------------|---------------|--------------|---------------|
| Paul D. Wellstone Federal Building | Minneapolis, MN | 142,910 GSF | \$6,790,020 | \$21,461,839 |
| Franconia Warehouse Building – “B Side” | Springfield, VA | 308,483 GSF | \$2,186,566 | \$112,519,701 |
| Bozeman Federal Building & Post Office | Bozeman, MT | 93,297 GSF | \$27,448,487 | \$17,141,967 |
| U.S. Custom House | Philadelphia, PA | 542,896 GSF | \$68,385,194 | \$116,510,875 |
| Strom Thurmond Federal Complex | Columbia, SC | 456,734 GSF | \$56,296,860 | \$125,293,768 |
| Matthew Perry Parking Deck | Columbia, SC | 315,633 GSF | \$21,965,723 | \$62,511,484 |
| Columbia Plaza | Washington, DC | 713,411 GSF | \$12,667,878 | \$124,548,720 |

Sale proceeds support future agency consolidations



NWS Sterling Field Support Center - Sterling, VA

- MARKET TIMING
- Surplus land sale - ~154 acres
- High value
- No mission impact - No relocation cost
- Advantageous local zoning
- Land-holding agency retains sale proceeds

Underutilized Property Sale



Paul D Wellstone FB - Minneapolis, MN

- High Vacancy - 46K RSF or 38%
- Underutilized
- High maintenance costs
- LOI received
- Critical market timing opportunity

Valuable Location with Redevelopment Potential



Franconia Complex Side “B” - Springfield, VA

- Soon to be vacant warehouse
- High potential sale proceeds
- Desirable zoning
- No relocation costs
- Critical market timing



Columbia Plaza - Washington, DC

- DOS plans to fully vacate
- Prime location for multifamily redevelopment
- Proximity to GW campus

Valuable Location with Conversion Potential



Bozeman Federal Building and Post Office

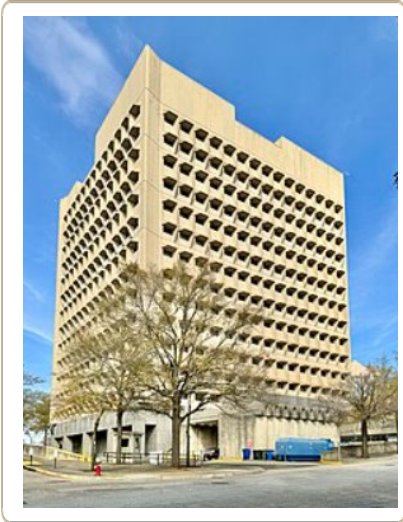
- High deferred maintenance
- Central location in a high value real estate market
- High housing demand
- LOI and Congressional letters of support received
- 32% Utilization in 73% of the building sf
- 11% Vacancy



Philadelphia Custom House

- High deferred maintenance
- High Vacancy - 114K SF vacant (26%)
- Central location prime for redevelopment
- 19% Utilization reported for 156K SF (half the building)

Excessing Deferred Maintenance = Win



*Left: Strom Thurmond Federal Building; Right: Strom Thurmond U.S. Courthouse Columbia, SC



*Matthew J. Perry, Jr. Parking Deck - Columbia, SC

Strom Thurmond Federal Building

- Underutilized
- High vacancy (**38%**)
- Low utilization
- Significant deferred maintenance liabilities
- Support from City

Strom Thurmond Courthouse

- 100% Vacant
- Significant deferred maintenance liabilities
- Eliminate operational expenses and liabilities via sale

Matthew J. Perry, Jr Parking Deck

- Only 15% of parking used for federal vehicles
- Significant deferred maintenance liabilities
- Mission-driven parking need will be eliminated via sale of Strom Thurmond complex

Additional Properties Under Examination



| Building | Location | GSF or Acreage | Deferred Maintenance/ Repair | 30-yr Net Present Value Savings |
|--------------------------------------|------------------|----------------|------------------------------|---------------------------------|
| Central Arizona Project | Phoenix, AZ | 41 Acres | N/A – Surplus Land Sale | \$22,576,158 |
| John W. Powell Building | Reston, VA | 20 Acres | N/A – Surplus Land Sale | \$37,692,893 |
| Mid Atlantic Social Security Center | Philadelphia, PA | 574,704 GSF | \$51,866,264 | \$76,358,771 |
| Wilshire Federal Building | Los Angeles, CA | 544,357 GSF | \$236,362,065 | \$110,221,523 |
| VA Palo Alto | Sunnyvale, CA | 59,910 GSF | \$368,804 | \$32,727,031 |
| Chas. E Bennett Federal Building | Jacksonville, FL | 317,556 GSF | \$20,211,119 | \$9,995,911 |
| Juliette Gordon Low Federal Building | Savannah, GA | 239,098 GSF | \$13,500,000 | \$1,162,755 |

| Building | Location | GSF or Acreage | Deferred Maintenance/ Repair | 30-yr Net Present Value Savings |
|-------------------------------------|---------------------|----------------|------------------------------|---------------------------------|
| John W. McCormack Federal Building | Boston, MA | 726,885 GSF | \$959,967 | \$185,605,389 |
| U.S. Custom House | Charleston, SC | 50,542 GSF | \$6,250,898 | \$12,461,306 |
| Paul G. Rogers Courthouse & AUTC | West Palm Beach, FL | 176,042 GSF | \$51,578,440 | \$24,867,612 |
| Robert G. Stephens Federal Building | Athens, GA | 85,748 GSF | \$10,358,028 | \$29,539,829 |
| Claude Pepper Federal Building | Miami, FL | 279,728 GSF | \$42,315,388 | \$15,220,109 |
| U.S. Custom House | Portland, ME | 23,935 GSF | \$1,900,000 | \$10,244,522 |
| U.S. Custom House | Savannah, GA | 25,946 GSF | \$5,500,000 | \$7,108,844 |

Additional Properties Under Examination



| Building | Location | GSF or Acreage | Deferred Maintenance/ Repair | 30-yr Net Present Value Savings |
|----------------------------------|-------------------|----------------|------------------------------|---------------------------------|
| IRS Service Center | Atlanta, GA | 344,099 GSF | \$12,390,414 | \$57,533,721 |
| Fritz G. Lanham Federal Building | Fort Worth, TX | 759,414 GSF | \$14,340,597 | \$32,894,603 |
| Terminal Annex Federal Building | Dallas, TX | 244,357 GSF | \$8,183,113 | \$23,646,099 |
| Silver Spring Metro Center 1 | Silver Spring, MD | 205,879 GSF | \$13,663,724 | \$27,336,139 |
| Tucson Federal Building | Tucson, AZ | 134,651 GSF | \$23,839,705 | \$29,512,672 |
| Howard St. Garage | New York, NY | 57,123 GSF | \$3,968,126 | \$65,091,530 |

| Building | Location | GSF or Acreage | Deferred Maintenance/ Repair | Net Present Value Savings |
|------------------------------------|------------------|----------------|------------------------------|---------------------------|
| Minton Capehart Federal Building | Indianapolis, IN | 610,778 GSF | \$41,000,000 | \$131,480,129 |
| A. Maceo Smith Federal Building | Dallas, TX | 196,173 GSF | \$9,636,573 | \$23,182,208 |
| Timberlake Federal Complex | Tampa, FL | 305,536 GSF | \$44,459,776 | \$95,225,263 |
| J.J. Jake Pickle Federal Building | Austin, TX | 262,613 GSF | \$36,659,211 | (\$29,387,166) |
| James Hansen Federal Building | Ogden, UT | 198,909 GSF | \$36,794,407 | \$68,748,752 |
| Joseph P. Addabbo Federal Building | New York, NY | 896,515 GSF | \$36,809,348 | \$111,181,847 |

Potential Taxpayer Savings

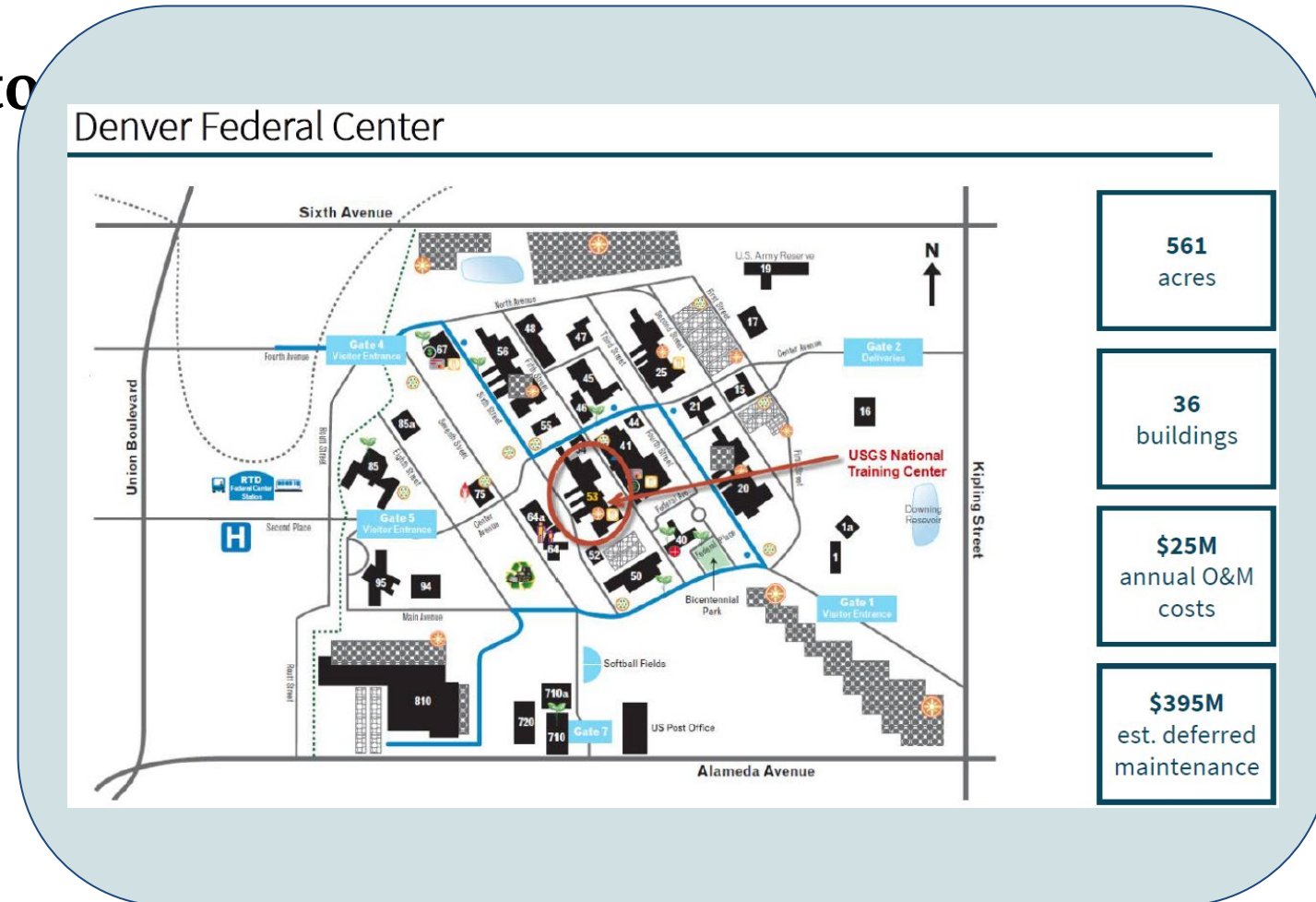
- 26 assets recommended for disposal
- 7.34 million gross square feet reduction
- \$706 million deferred maintenance avoided
- \$50 million annual operating expenses eliminated
- \$1.2 billion 30-year net present value savings



More complex properties remain

Complexity requires planning to maximize value

- Federal Campuses
 - BARC
 - Denver Federal Center
- Southwest DC
- Identifying parcelization of surplus land
- Connected facilities



Private sector underwriters need planned sales

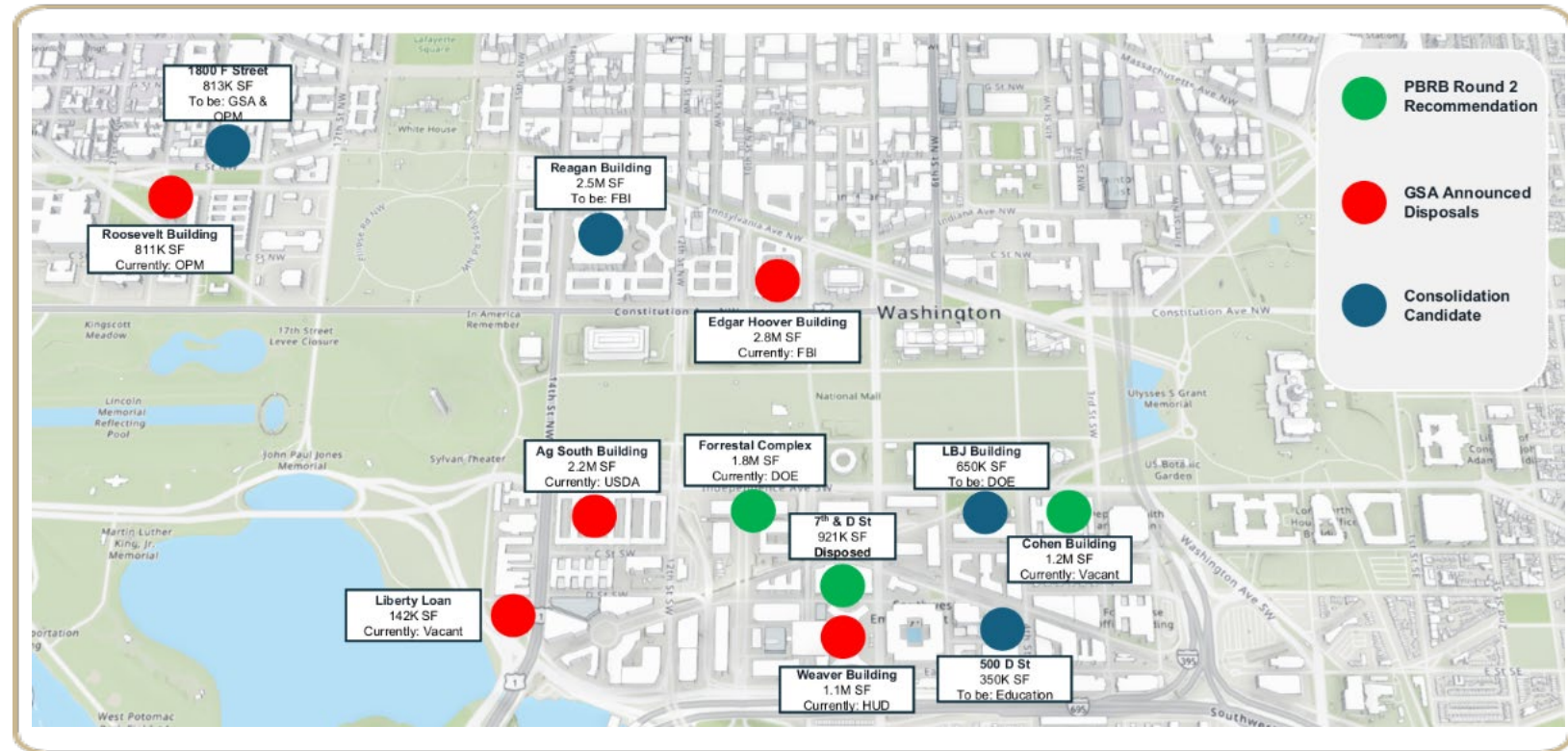
Selling “where-is, as-is” presents challenges

Concerns that Create Risk

- Historic Preservation
- Regulatory
- Infrastructure
 - HOTD Steam Plant
 - WMTA
- Market Conditions - Oversaturation

Opportunities to Reduce Unknowns

- Market Assessment
- Anchor Tenant
- Address Zoning
- Site Optimization
- Scaling Opportunities
- Parcelization
- Infrastructure
- Phasing



*Southwest D.C. - Current Strategy Map

The PBRB's work continues...



- Round 3 recommendations to be submitted no later than December 31, 2026
- Identify market opportunities with private sector expertise
- Market cycles require constant asset evaluation
- Refinement of Use It Act data will reveal new opportunities
- D.C. rightsizing, consolidations, and maximization of sale proceeds
- Agency retention of sale proceeds motivates and incentives action
- State and local government outreach promotes collaboration across the public sector.
- Collaboration with Courts



Open for Public Remarks

*Rendering from PBRB - ULI - NCPC February 2025 TAPS

END

Imagining Tomorrow



*James V. Forrestal Federal Building - Washington, D.C.



*Rendering from PBRB - ULI - NCPC February 2025 TAPS